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"IT WAS A FAMOUS VICTORY"

by Edna Lonigan

After eight months of strife John L. Lewis has won for his miners a small wage increase and ten cents a ton additional royalty for his pension fund. Pension funds are becoming the most important issue in Labor disputes. They are spreading like a prairie fire. Let us look at them.

Coal companies now set aside 30 cents a ton on each ton of coal mined, and pay it into a fund for miners when they are old or sick. The pension fund has three trustees, one representing the owners, one the workers, and one the public. But by a skillful use of the veto Lewis has three trustees whom he expects to represent him.

Most people would approve pensions to miners and others who can no longer work. But the method of paying these benefits, through the union, raises some serious questions.

The tonnage royalties are not paid to the miners. They are paid to the union's fund. Workers do not receive these pensions as a right, but as a favor. When Lewis decided to suspend the fund, it suspended.

Similarly in the garment industry, though most workers received the promised payments, those who refused to "contribute" to the union leaders' political causes suddenly discovered they did not have any right to their vacation funds at all.

The fact that workers qualify for pensions not as individuals, but only as union members in good standing, has great legal significance.

The ownership of property is either individual or collective. Under our law it is individual. Wages, salaries, dividends, are paid to individuals. Owners of capital may pool their funds in partnerships or corporations, but the individual retains specific "shares". And the law protects his shares right through the bankruptcy court. Corporation heads cannot change the rules at their own sweet will. When union members "own" a fund, but cannot take out their shares under precise fixed rules, ownership has been transferred to a collective.

Union pension plans are therefore a device for collectivizing corporate income. The unions take part of the earnings of free firms and put them into a collective, in which individuals have no rights. The workers shift their loyalty and their hopes from the free firm to the union collective.

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II

The progress of collectivism in the United States, as earlier in Nazi Germany, is measured by the extent to which the "owners" of stocks, or houses, or gold, or wages, are subjected to external limitations on what use they may make of their property. In a thousand ways the government is gradually closing the entrance to the free use of property, and narrowing the area in which the nominal owner is free.

In most union pension schemes the worker's funds are under remote control. Royalties collected in his name are not his property as his bank deposits are his property. Certainly none would argue, in view of what Westbrook Pegler and others have shown about union constitutions, that the members decide policies or audit funds of the unions.

To get his pension the worker must remain a union member. He must then take what Philip Murray calls a "package", sight unseen. The "package" is a collective device. The worker is forced into a bargain that binds his future, regardless of whether future policies please him.

This is the same kind of "ownership" as in the collective farms of the USSR. Russian farmers who surrender their land to the collective get a promise of great benefits. They "own" shares in the collective, but if a farmer decides to leave he cannot sell and remove his property. It stays. Or if the head of the collective (chosen by the Communist Party) dislikes the farmer's political opinions, he can put this member out of the collective, adding the latter's savings to the shares of those who remain servile.

To subject workers to a commitment of future obedience is not to enlarge the area of freedom. It is not "welfare". On the contrary the process is close to being abrogation of free contract, and therefore resembles serfdom. In order to collectivize the income of corporations the union workers are rapidly collectivizing themselves.

III

Free trade unions, closely linked to their firms and localities, help workers and are welcomed by decent employers. The trouble is combination in restraint of trade. The monolithic policy of nation-wide bargaining parallels that of our earlier trusts. But on combination in unions, instead of following American experience we have chosen the direction in which Germany led.

German industry began with free enterprise, but made a fateful turn when in hard times it turned to the government for help. German business won the legal right to force individual firms to join combines

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where production could be curtailed and prices kept up. Thus the free and independent firms of private enterprise were converted into a rigid collective within which the members lost all economic freedom; what is called a cartel.

When American business tried to meet low prices by combining to hold up prices, Congress passed the Sherman Act making it impossible to maintain any form of combine. American industry then had no choice but to cut costs. The result was "mass production" with its vast output priced within the buying power of nearly all of us.

The Germans also provided the model for cartellizing unions into great combines where, as in industrial combines, the members lost all power, the dictatorial leadership gained all control, and prices and output were fixed by fiat without reference to the purchasing power of the people who had to buy the output. This paved the way for the State to take over.

American trade unions used to be free private associations, under member control. The Wagner Act legalized the cartel in unions, and the predictable results followed. Members lost all control, including the right to resign. The managerial elite took over. Prices for work were set out of all relation to the people who bought the output. The disappointed unions turned to the State for more help, and the political leaders extended their power.

Walter Reuther, spokesman of the new ruling elite, tells us he will press for pensions, annual wages and a share in management, alternately through political action and through strikes, until he gets whatever he wants. This is the scissors treatment. It promises to win whatever demands the union leadership is clever enough to present piecemeal.

It is unfortunate that employers think of workers as their opponents in this struggle. The only ultimate beneficiary of this philosophy of bigness is Big Government. Workers and employers face the same adversary.

IV

We outlawed monopoly under the Sherman Act, but what were we trying to preserve? Not "competition". There was competition between Stalin and Trotsky. There is competition between Stalin and Tito. Not even Communism can eliminate the human will to compete.

What we preserved under the Sherman Act was free association. Free association means that individuals are free to join groups, or not to join, or to join and separate. This means that no group can become a monopoly, but it also means much more.

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The great principle of free private association is peculiarly American. It was worked out first in the field of religion, as Felix Morley shows in The Power in the People. William Penn, Roger Williams, Lord Baltimore, made religion a matter for free private association of individuals, not for compulsion by the State or any other authority. Their ideas won out over those of people who wanted an "established church", or the imposition of religious membership by force.

The right to free untrammeled association in specified fields was emphasized in the Bill of Rights. But the method of free association in every field, the right of free private choice, underlies all the provisions in our Constitution.

This American principle of free private association is now engaged in a great ideological war with the opposing principle of the cartel, meaning the amalgamation of private organizations into a rigid interlocking whole, directed by experts in power, and so strong that individuals cannot stand against it.

That war is being fought in every sphere of American life, in religion, in politics, in farming, in industry, in education, in writing and the arts. The visible gains are being made by the Labor cartels but every bill to give Federal funds to libraries, or a science foundation, or dental schools, is part of the same world movement toward cartellization of every facet of life. If we do not free labor and industry and farming from every vestige of control through cartellization, the battle will grow for monolithic control of education and writing, and then -- inevitably -- of religion.

We need an anti-combination act for unions, but we need much more. We must take government entirely out of labor-management relations and put our faith in free association. But we should also establish, perhaps by Constitutional amendment, a new Bill of Rights to protect free associations (in every field) against governmental "help". We should specifically forbid the government to coerce, or make gifts, or set prices, or intervene in any private association, just as we protect individuals against governmental search and seizure.

If Americans accept high wages or high prices or high profits by surrendering their freedom to a collectivist cartel, they can be sure that the government which directs such pyramids of power will not remain limited government. It will be totalitarian.

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Not Merely Gossip *A Supplement to* Human Events Vol. VII No. 11

UNIVERSITY OF MINNESOTA RECEIVED MAR 27 1950 LIBRARY

By Frank C. Hanighen March 15, 1950

INVESTIGATING THE STATE DEPARTMENT: Charges of homosexuality have given an especially ugly turn to the present investigation of subversives in the State Department -- and, in view of the nature of the subject, have caused much confusion in the minds of those following the press accounts. Some quarters claim that Senator McCarthy has introduced such accusations on moral grounds alone, seeking thereby to profit by scandal. Nothing could be further from the truth. As a matter of fact, it was the State Department, in the person of Assistant Secretary Peurifoy, who first mentioned the matter, when he pointed to the fact that the Department had dismissed close to a hundred homosexuals. Not only morality, but also security was involved in this purge -- a fact which many have failed to understand. Both Peurifoy and McCarthy stand on sound ground. For homosexuals in Government positions are potential security risks -- and this is well understood in Washington.

It is not generally known out in the country that in the past decade a number of controversies have privately raged over alleged homosexuality of various prominent people in the Government; the press has naturally avoided the topic. A prominent U.S. Minister, formerly head of a mission in a Western European country, once related to us in nauseating detail how intelligence agents of the Government to which he was accredited, actually sought to blackmail one of the U.S. legation staff, a homosexual, into revealing U.S. diplomatic secrets. This case did not involve Communists nor Russia. But it is an open secret that blackmail and "capture" of homosexuals by the Communist network is a not uncommon occurrence. This unpalatable theme may pop up again from time to time in similar investigations.

In the current cause célèbre -- "McCarthy versus Administration" -- the young man from Wisconsin has so far done better than even his friends expected. Senator Tydings made a bad tactical mistake in badgering McCarthy on the opening day which certainly gave the impression that a "whitewash" of the State Department was under way. Incidentally, we read the accounts of the first day's hearings in Washington and Baltimore papers as we travelled to New York the following day. They were hardly favorable to Tydings and the Democrats. On arrival in Manhattan, we read the New York papers. Oddly enough, we found the New York accounts largely favorable to Tydings; a puzzling contrast.

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COAL STRIKE: Now that the coal strike crisis has passed, some interesting post-mortems have appeared analyzing that complicated negotiation. The best we have seen was bulletin No. 266 of Interpreting the Labor News, issued by Herman and Conway Associates (400 Madison Avenue, New York, N.Y.). This labor news letter makes the point that a coal settlement was on the way during the final week of the conflict, and would have taken place anyway, regardless of Judge Keech's sensational and surprising decision. Also, one of the factors forcing a settlement was John L. Lewis' realization that "The Miners Were Under Pressure Too" (the news letter's subhead).

"We have pointed out on several occasions in the past", remark Messrs. Herman and Conway, "that in all the 'excursions and alarums' by which Mr. Lewis has given the country jitters, never has he left it actually and acutely short of coal. If the skeptical refuse to attribute this to a sense of civic responsibility, the position can be linked to sound common sense. Even the strongest union could not prevail where the whole general public is plunged into economic chaos and actual suffering. . . . These compelling pressures on the union negotiators could not be off-

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set by the Keech decision. If that decision had gone the other way, it would have merely weighted the scale toward contract negotiation a little more heavily." Meanwhile, as the news letter pointed out, pressures "from manufacturing and banking interests" were strongly impelling the mine operators to make a settlement. In short, the strike was not a dramatic "cops and robbers" story, as many papers reported it, but a complicated piece of collective bargaining.

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FEDERAL AID: There is a sudden marked increase in synchronized radio debates and newspaper columns on federal "aid" for education. The first engagement in Congress was fought last week over Federal subsidies for libraries. The library bill followed the usual form. The states were to draw up "plans" to be approved by the U.S. Commissioner of Education, in return for which they would get up to $100,000 each for libraries, especially in rural areas. Actually "public library service demonstration in rural areas" means buying a truck and taking books to the borrowers instead of keeping them in buildings in towns.

Argument for the bill followed the "backward areas" line. Millions of people in rural areas do not have free libraries. The Federal Government would "help these areas in giving their people good reading habits and provide recreation and information" and even reduce juvenile delinquency. Opponents of the bill held to the argument, "Let the states do it." Wadsworth of New York told of a letter he had received from the State Department of Education at Albany urging Federal aid, while the New York Legislature was meeting across the street, in Albany, debating state library legislation. Not a single Governor or state legislature had asked for the bill in Congress. The demand came from the professional librarians -- and the Federal Administration. The bill was obviously a dress rehearsal for Federal financing of education. It was defeated.

The debate brought out much sage advice and Congressman Judd urged Congress not to consider any grants unless such proposals were accompanied by recommendations from at least half of the states. Gwinn of New York reminded the Members that states like Mississippi had a surplus and were lending money to the Federal Government; the cure was to cut taxes and let the states help themselves.

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"SAVING AMERICAN CAPITALISM": Readers interested in the dissection of Welfare State propaganda might exercise their scalpels on an article in the New York Times Magazine for March 5. This article, "The High Cost of Low Incomes", is the work of Sumner H. Slichter, Professor of Economics at Harvard. Slichter apparently belongs to that peculiar group of American economists who insist upon the merits of capitalism and free enterprise and then propose to preserve those merits through socialistic measures. (Professor Seymour Harris, Slichter's Harvard colleague, after writing a book called Saving American Capitalism, turned up in the brain trust of Americans for Democratic Action and was in charge of the "Domestic Platform" at the ADA national convention in 1949!)

Slichter argues in his piece that ". . . a rich and successful economy such as the United States must be expected to look out for the non-producers or low producers more adequately than do the less efficient economies. Arrangements for meeting the problem of the needy more generously will show the critics of American institutions that this economy is the most efficient in the world." How is this to be done? Through the Brannan Plan -- despite its "grievous faults" -- and through a series of measures presently being promoted by the Social Security Administration. Why the adoption of the Brannan Plan or more social security of the sort we now have would represent "efficiency" is baffling indeed. But at the moment we are interested in the materials out of which the Slichter article was made.

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Slichter's lead paragraph states that nearly 10 million American families had incomes of $2,000 or less in 1948. By a strange coincidence, the same statement occurs on the first page of "Low Incomes and Economic Stability", a publication issued by the Congressional Joint Committee on the Economic Report just a few days before the Slichter article appeared. Further examination of the Times piece makes one wonder whether much of the "factual matter" in it was drawn either from the report cited or from "Materials on the Problem of Low Income Families", a previous publication of the same Congressional committee. It would have been only fair had Dr. Slichter noted a scorching Minority statement from Representative Rich who does not agree with either the Majority report or with Slichter. Congressman Rich had some acid remarks to show how easy it is "to move from the areas of sketchy, inadequate statistical evidence, adjusted by statistical 'techniques' to that of broad and significant conclusions, and finally to detailed recommendations, legislative cures and government interventions. The committee and its staff should first use its utmost efforts to bring about improvement of knowledge in these basic and controversial areas, rather than risk adding to confusion and misunderstanding by use and dissemination of sketchy, vague and enormously blown up figures."

The position and bias of Slichter become increasingly clear when we note that he cites approvingly the recommendations of the Senate Finance Committee's Advisory Council on Social Security. What the good Professor does not say, however, is that he himself was the Associate Chairman of the Advisory Council. The head of this Council was none other than Edward R. Stettinius, who in the Council's Recommendations expressed his "deep appreciation of the earnest and fine spirited efforts of all members of the Council and particularly of the splendid work done by the Associate Chairman, Dr. Sumner H. Slichter." Thereby hangs a tale.

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SOCIAL SECURITY PROPAGANDA: If the true history of the Advisory Council mentioned above could be told it would, no doubt, reveal how a Federal bureau short-circuited Congress and scored a wire-pulling triumph. In 1947 the Senate authorized its Finance Committee "to make a full and complete investigation of old-age and survivors insurance and all other aspects of the existing social security program". The Senate, out of its contingent fund, set aside $50,000 of the taxpayers' money to pay for this project and authorized the creation of an Advisory Council. Through means which we do not pretend to know, it came about that numerous economists and insurance personages who were already committed to the philosophy of the existent social security system were appointed to the Council. Furthermore, through the working staff of the Council, the Social Security Administration headed by Arthur Altmeyer, captured what might be called the intellectual control of the enterprise.

The Council's actuary on both old-age and disability insurance was Robert Myers, who came from the Social Security Administration to do the job. Myers is today the SSA's Chief Actuary. The Council's Staff Director was Robert M. Ball, who today is an important figure in the Bureau of Old-Age and Survivors Insurance. The practical effect of the set-up was that the Social Security Administration proceeded to investigate itself! Assigned to handle this enormously complex and ramified subject, the Council held a total of seven two-day meetings and its interim committee eight one-day meetings. Yet from these brief and intermittent meetings there issued a 235-page volume of recommendations, gratefully acknowledging the aid of the Social Security Administration. The views expressed may be found reflected today in H.R. 6000, the great omnibus Social Security Bill. And not the least interesting thing about Associate Chairman Slichter's New York Times Magazine performance is that it appears, by another strange coincidence, at the very moment when H.R. 6000 is before the Senate Finance Committee for consideration. Baseball has a word for it: Tinker-to-Evers-to-Chance.

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Book Events

The Elizabethan House of Commons, by J. E. Neale. London: Jonathan Cape. (Yale University Press edition $5.00.) Reviewed by J. M. Lalley.

The current parliamentary crisis in Great Britain gives to Professor Neale's book something more than mere antiquarian interest, for it was in the course of the ten parliaments of the 55-year reign of Elizabeth that the House of Commons began to emerge as the dominant element of the English political system. The prerogative of the crown was not, in Elizabeth's time, seriously attacked, although by the end of the reign the rising sentiment against it had become powerful enough to be noticed by Cecil. The veto power of the House of Lords was to endure for more than 300 years. But the supine and subservient attitude of the Commons under the earlier Tudors had now disappeared. The members spoke their minds, and some of them boldly continued their debates outside the chamber. In 1585 the Queen told them angrily that it had been brought to her notice that "Parliament matters was common table-talk at ordinaries", meaning at taverns and public eating-places, and Cecil complained that he had even heard them talked of in the streets.

Throughout the Sixteenth Century the number of seats in Commons had been increased from 286 to 462, partly through the enfranchisement of Cheshire, Monmouthshire and Wales, but chiefly through a rapid increase of boroughs. The reasons for this proliferation of boroughs is not clear. According to Professor Neale the purpose was not, as formerly supposed, to pack the Parliaments in favor of a dynasty that had, after all, only shaky claims to legitimacy. On this point his study of various borough contests appears to sustain him. The increase of representation, however, does seem to reflect the growing self-assertion of the "new man"; that is to say, of the class of gentry which had come into great wealth and power through the distribution of the monastic estates, replacing the feudal nobility which had very largely destroyed itself in the Fifteenth Century civil wars or had perished on the scaffold after the Reformation. It was in Elizabeth's time that the generality of borough councils ceased to return local burgesses and elected instead candidates from the gentry, nominated by the court or by some powerful patron. Here, evidently, was the genesis of the "rotten borough" system, so favorable to the rule of Parliamentary oligarchies, which persisted until the great Reform Act of 1832. Nevertheless, according to Professor Neale, it was a development of tremendous importance to British liberty, for he believes that a parliament in which timid tradesmen were predominant would not have defied the majesty and power of the Stuart king, as did the strong-minded squires of the Parliament of Pym. It was also at this time that the practice, rare but not unknown in the Middle Ages, of returning "foreigners", or persons not resident in the borough, became general. That peripatetic politician, Sir Walter Raleigh, for example, represented a half-dozen different constituencies in the course of his parliamentary career. The ultimate effect of the practice, however, says our professor, was to give the members of Commons a national rather than a provincial attitude towards politics.

The county seats were of course still preferred, since the possession of one was in itself a certificate of high gentility. Where a single powerful family dominated a county, one or both seats were regarded as its perquisites. But in many counties there were commoners of several eminent families, so that vigorous contests were by no means infrequent. The suffrage was limited to freeholders of property worth 40 shillings or more, a substantial sum in those days; but in both borough and county elections there was often high-handed manipulations by the local sheriffs. These practices, apparently, continued until the House in the reign of James I took upon itself, apparently without constitutional warrant, the power to unseat members fraudulently elected.

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European Supplement *to* Human Events Vol. VII, No. 11

By Marion Doenhoff HAMBURG -- March, 1950

GOOD AND BAD NATIONS: It is always difficult to assess a foreigner correctly. All the nuances of social standing and political coloring, which one recognizes so easily in one's own countrymen, tend to blur with an alien language and character. Who can recognize the border line between reserve and distrust, between prudence and pettyness, in his initial dealings with a foreigner?

During and since the war many Europeans met Americans for the first time. And, as is always the case when there are no clear delineations, a uniform picture of "the American" has formed in Western European minds. Many traits have made us love "the American" as we see him: his optimism, his warmth and friendliness, his unshaken belief in human decency and his willingness to champion all that is good and true in the world.

This preparedness to shoulder responsibilities, coupled with the feeling of dedication to a task and the conviction of having a message of salvation, is certainly the outcome of the special spiritual and political attitude of the first American pioneers. In view of our skepticism, defeatism, and cynicism this is something very remarkable for Europeans. It is remarkable, but at the same time it is somewhat frightening.

We admire the ability to recognize, outside the limits of the purely personal, those very simple classifications of good and evil. On the other hand, we are occasionally frightened by the consequences of this attitude, because a foreign policy based on moral valuations is bound to lead to alternatives which run contrary to the fundamentals of politics. Surely the real political objective is to find a modus vivendi under any circumstances.

Americans are inclined to divide the world into moral categories: into good and bad, "progressive" and "reactionary" peoples. Realization that the Nazis and Fascists were evil led during the war to the erroneous conclusion that all those opposing them were for that reason good. This false conclusion determined post-war policy for Germany. Anyone in a responsible position was incarcerated and conversely many of those who had been in concentration camps were promoted to public office. Only gradually was it realized that this resulted in Communists being placed in positions of authority, while National Socialists who had broken with Hitler were elevated to the control of broadcasting.

In the sphere of foreign politics, the "good Russians" who for years had fought against the "bad Fascists" were not realistically examined until the Fascists had been vanquished. So the crusade which started as a crusade against the anti-Comintern later turned into a crusade against the Cominform. Today, everything which is Communist is regarded as evil.

In order not to make the same mistake again, all who were against Communism are not for that reason automatically defined as "good". Franco Spain, though certainly anti-Red, still seems suspect to the Department of State in Washington. However, this has not prevented Britain from recognizing the Communist government of China, even though China is now probably less "democratic" than Spain.

Austria, as another example, is a good country, and therefore cannot be "nationalistic", which is said to be the great sin of Germany. Nevertheless one meets in Austria the most remarkable relapses in public life. Recently a member of parliament, Fritz Stüber, adherent of the VDU (a sort of neo-Fascist party), stood his trial for alleged war crimes. He was acquitted and soon afterwards one could read his message of thanks in a Viennese paper. Herr Stüber stated that it would be

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impossible for him to thank everyone personally for the numerous proofs of friendship and sympathy on the occasion of his acquittal. Therefore he would like to do so by means of that advertisement! From this and many other curious happenings it is not concluded that there are still remnants of National Socialism in Austria.

France is a "good" country. Therefore it must be proper for France to claim the Saar territory. And when the Germans assert that this cannot be done properly except in a peace treaty, the protest is said to show that Germans are incorrigible nationalists.

The unqualified moral feeling of the American people is not only your strength, but also your temptation. We saw that very clearly in Germany during the Nuremberg trials. There justice became a function of morals. Consequently those trials (for different reasons, but practically as in Russia) served government policy, but not the cause of justice. Military Tribunal No. IV stated in case XI -- the Wilhelmstrasse trial: "It is our task to draw up principles of conduct for those in responsible positions which will apply not only to the Germans as the defeated in war, and not only for the past and present, but also for the future. . . ."

Judge Powers, one of the three judges of that tribunal, stated in his dissenting opinion: "I dissociate myself most sharply from this viewpoint." He said convincingly that judges are not supposed to draft new law, but only to apply that which is already in effect, as the American Constitution stipulates.

Why is it that the desire of the American people to judge according to moral standards is not only part of your strength, but can simultaneously become a danger to yourselves, especially in foreign politics?

The answer seems to lie in the ease with which individual assessment turns into collective assessment. An individual can doubtless be either good or bad. A people as such is never either good or bad. Collective thinking, judging and feeling is the curse of our time. If we are not careful it could be that under the influence of collectivism we shall lose the most important prerequisite of our individual existence -- the power of individual judgment.

* * *

MOVIES IN GERMANY: It is not merely our journalists and politicians who find it difficult to define and represent the general German mentality of today. The movie industry also is at a loss. Exhibitors can no longer predict which film is going to be successful. The name of a favorite star no longer draws the German audience, if the film itself does not arouse interest. And publicity about the private lives of the stars, as practiced so assiduously by the American and British film industry, does not work in Germany.

The German audience is not satisfied with sentimental romance. It wants realism. It does not want films of adventure either, because for the great majority everyday life is adventurous enough. On the other hand the movie-goers are so disillusioned that an uncomplicated, humorous and straightforward bourgeois story appears to them ingenuous and untrue.

So it has become absolutely impossible to say which film will or will not be successful. Not long ago, for the first time in Germany, a religious film was released, with the title "Nightwatch". It deals with the problem of bringing Protestants and Catholics together. At first, the film distributors would not accept the film, and then shelved it for six months because they were convinced it would prove a commercial failure. Then someone took the risk and now for weeks all performances have been sold out.

The German audience does not want to see any more of the so-called Trümmerfilme, depicting our ruined cities; nor other topical films. It does not want to see films in which the mistakes of the Nazis, or those since that period, are shown. Germans say: "We have to deal with all that every day; if we go to a cinema we want

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to be diverted." There is no doubt, however, that the three best post-war German films were Trümmerfilme or topical films dealing with the problems of today.

"The Murders Amongst Us" was the first film produced in Germany after the war. It concerns the conscience of a former German officer who had ordered the execution of hostages in Russia. The film was shown with great success abroad, but had relatively little following in Germany. Rather more popular was "Honor in the Shadows", the story of the German actor, Joachim Gottschalk, who committed suicide with his wife in 1943, rather than see her sent to a concentration camp. Also successful was "The Blum Affair", perhaps the best German film since the war, again dealing with the Jewish problem. All three of these films were produced in Russian-controlled DEFA studios in Berlin, still not only the largest but also the best film-production plant in Germany.

The only two topical foreign films which have made box-office in Germany so far are Carol Reed's "Third Man" and the American film "The Best Years of Our Life". The warmhearted and homely atmosphere of the latter captivated the German audience. What the man in the street here wants more than anything else is peace and this longing is perhaps the reason why typical American "Westerns", with the exception of the Marlene Dietrich films, achieve no following.

Of the foreign films those from Hollywood are most successful. Those shown here are almost always "good", but very seldom "excellent". The British films, generally speaking, are too direct in their approach and not sensitive enough in dialogue and photography -- in spite of such brilliant exceptions as "Hamlet" and "Odd Man Out". French films find their most appreciative reception in a small circle of German intellectuals.

On the whole, however, even a bad or an old German film has a greater appeal to the German audience than the average foreign picture. With the few exceptions noted, American, British or French films do not appeal to the peculiar mentality of the post-war German movie-goer, which is a strange mixture of curiosity, the sense of fellowship, satiation in regard to sensations, and an untutored mysticism.

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CONFISCATED GERMAN ASSETS: I have received some interesting material on the seizure of German private property abroad, prepared by an organization in Bremen (Studiengesellschaft für privatrechtliche Auslandsinteressen) which seeks to serve as spokesman for those who have been expropriated.

Our government at Bonn was recently criticized by the Allied High Commissioners for not pressing hard enough to expand German exports. That criticism, says the Bremen organization, compels the retort that Allied policy has deprived Germany of a necessary arm of foreign trade -- private property located in other countries.

Exact figures of the value of former German assets abroad cannot be computed -- even in the case of countries outside the Iron Curtain. Of course the value is high as computed by the owner in terms of what he has lost, low as computed by the Enemy Property Custodian who is figuring in terms of the forced sale of an isolated asset torn from its former commercial setting.

Thus the estimates of confiscated private property of German nationals and institutions varies from 2.5 to 1.25 billion dollars, omitting that seized by the Soviet and its satellites. Even if we take the lower figure, and assume an interest rate of 4 per cent, we find an annual loss of German income of $50,000,000, at present being made up from the Marshall Plan. The American policy of depriving Germans of their income with one hand, while subsidizing them through ECA with the other, is not very well understood in Germany.

It is known, of course, that the wholesale confiscation of German private property was first advocated in writing by Secretary of the Treasury Morgenthau; was adopted at Potsdam by President Truman and was put into legal form by edict

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No. 5 of the Control Council. Liquidation of the property for reparations use was to be handled by an inter-allied commission that has never come into existence. This casts further doubt on the legality and morality of the whole proceeding. That point has already been examined for readers of HUMAN EVENTS, in its able analysis of April 27, 1949.

But it may well be that the American taxpayer, now pouring his money into Western Germany at a handsome rate, is more concerned with the economic rather than the moral aspect of the confiscated German assets.

It is argued that the loss incurred by expropriation is out of proportion to the value accrued on the reparations balance sheet. Property abroad is indispensable for foreign trade and a sound payments balance. Over a period of time Germany could therefore contribute more to diminish foreign subsidies, raised from the U.S. taxpayer, by using these confiscated assets than if they are taken. Their functional value is far greater than their absolute value, as the Herter Report pointed out three years ago.

Business people wonder how long foreign creditors will keep silent while seeing the assets of their debtors taken away from under their very noses. It would appear to be a lesser evil, compared with outright expropriation, to have these assets used for paying foreign creditors. And the British have recently begun to provide for this solution.

To take the assets and leave the debts is a heavy mortgage for the Bonn Government, now trying to start business again. It is felt to be time now to talk over problems arising from this unique procedure in the objective atmosphere of an international experts conference including Germans. In order to provide the basis for a rational round-table discussion, a general stop in liquidating German private property is felt to be desirable.

Such is the gist of the deliberations and pamphlets of the Studiengesellschaft für privatrechtliche Auslandsinteressen, in Bremen. It seems to make little sense for creditor nations to pursue a policy so detrimental to private property. Viewed from Western Germany, in respect to the wholesale expropriation of German private property, there is little difference discernible between the policy of Moscow and that of Washington.

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THE SAAR: The autonomy of the Saar, as constituted in the recent Treaty between France and the Saar Government is crowned by Art. 9:

> The French Republic may station agents in the Saar territory to follow up any criminal action directed against the safety of France or of the French troops. The agents have orders to inform the Saar authorities as quickly as possible of persons arrested and dwellings searched.

The safety of France does not seem wholly coincident with the safety of the Saar. Otherwise one could have relied on the Saar police for such matters, instead of planting French agents, with independent executive orders, in the new Republic.

The new treaty between France and the Saar provides for the continuation of the 50-year lease of the mines beyond the date of the peace conference only if the peace treaty ratifies the autonomy of the Saar. Consequently, the French are doing their utmost to suppress any development in another direction. According to present arrangement the French "ambassador" is even entitled to proclaim a state of emergency if and when he considers the independence of the Saar territory to be in danger. A free and unrestricted decision on the part of the people in the Saar therefore seems absolutely out of the question. All efforts towards a possible reunion with Germany would obviously endanger the autonomy of the Saar.

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